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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
PROCUREMENT SECTION
FEBRUARY 1971
CURRENT SERIAL RECORDS

Volume 15

Number 7

Released Pursuant to \$1090.27 (j) and \$1090.85, USDA-C&MS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - FEBRUARY 1971

The Federal Order MINIMUM uniform price to be paid producers for milk delivered to pool plants is \$6.36. This hundredweight price is for milk testing 3.5% butterfat and is subject to a producer butterfat differential of 8.2 cents for each one-tenth of one percent above or below 3.5% test.

In February 1971, 75.4% of producer milk received by pool plants was priced in Class I at \$6.94 per cwt. and 24.6% was priced in Class II at \$4.83 per cwt. The February butterfat differential for Class I was 8.4 cents and Class II was 8.0 cents.

Total producer milk received at pool plants during February 1971 was 28,600,761 pounds which is a decrease of 342,911 pounds or 1.2% compared with February 1970. The February daily average deliveries from 731 producers was 1,397 pounds. This compares to 748 farms delivering a daily average of 1,382 pounds per day during February 1970.

RECOMMENDED DECISION ISSUED MAKING FEDERAL MILK ORDER TERMS UNIFORM

The U. S. Department of Agriculture has recommended amending all 62 Federal milk marketing orders to provide uniform terminology for certain provisions. The recommendations are based on the record of a public hearing held in Washington, D. C. on September 30, 1970.

As proposed, a new general order would be issued containing administrative provisions that apply to all of the individual milk orders. The present individual orders would be amended to conform to the new general order.

The provisions concerned are those having the same purpose in every order. In many instances the wording is different but the application of the provisions is identical. They cover certain definitions, USDA instructions dealing with administrative directives to the market administrator, and the regulated handler's responsibility for maintaining and making available records of his operations.

The adoption of the proposed uniform terms applicable to all of the orders would benefit the entire dairy industry by eliminating confusion over language differences from one order to another. It would eliminate the repetition of such provisions in each individual order.

This recommended decision appeared in the Federal Register on March 2, and exceptions or comments may be filed up to March 22, 1971. Copies of the decision may be obtained from the market administrators of the various orders or from the Dairy Division, C&MS.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

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	% Feb. '71 Over Feb. '70	Feb. 1971	Jan. 1971	Feb. 1970
Number of Plants - Pool		6	6	6
- Non-Pool		13	13	15
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	- 1.2	1,021,456	1,102,057	1,033,703
Other Source Milk	- 10.4	29,541	27,674	32,971
Other Federal Orders	- 73.0	79,137	71,405	292,827
TOTAL MILK RECEIPTS	- 16.9	1,130,134	1,201,136	1,359,501
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 4.9	432,000	422,213	411,936
Skim and Fortified Skim	+ 3.2	21,387	20,616	20,720
2% Milk	+ 21.1	117,383	109,275	96,909
Buttermilk	+ 7.9	52,828	53,007	48,952
Flavored Milk and Drink	- 9.6	15,666	14,935	17,326
Creams (Sweet and Sour)	+ 6.4	3,128	3,048	2,939
Sub-Total - Pkg. Milk (Pool Plants)	+ 7.3	642,392	623,094	598,782
Other (Shrinkage, Inventory, etc.)		1,348	12,090	4,660
Sales to Non-Pool Plants		140,314	154,185	181,756
In-Area Sales by Non-Pool Plants	- 2.0	49,619	48,759	50,633
TOTAL CLASS I MILK	- 0.3	833,673	838,128	835,831
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 5.7	49,256	47,057	46,598
Cottage Cheese	- 0.9	44,925	40,653	45,353
Powdered and Condensed Milk		-0-	-0-	-0-
Livestock Feed and Milk Dumped		8,524	6,232	6,218
Sub-Total - Used to Produce	+ 4.6	102,705	93,942	98,169
Shrinkage Class II		12,461	17,234	15,209
Other (Inventory Variation, etc.)		10,655	32,034	(20,241)
Bulk Sales to Non-Pool Plants		170,640	219,798	430,533
TOTAL CLASS II MILK	- 43.4	296,461	363,008	523,670
Class I Pkg. Lbs. In Area - Pool Plants	+ 5.7	492,314	480,938	465,577
Class I Pkg. Lbs. Out of Area - Pool Plants	+ 12.7	150,078	142,156	133,205
Class I Pkg. Lbs. In Area - Non-Pool Plants	- 2.0	49,619	48,759	50,633
% Producer Milk of Gross Class I		122.5	131.5	123.7
% Producer Milk Priced in Class I		75.4	70.4	74.9

FEBRUARY 1971 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	61.1	721,114	\$0.84	\$ 605,735.76
Class II	38.9	458,493	0.80	366,794.40
Total	100.0	1,179,607		\$ 972,530.16

Total Butterfat Value * Total Producer fat pounds = \$0.824453

Producer Butterfat Differential per point variation above or
below 3.5 percent - - - - - \$0.082

COMPUTATION OF PRODUCER UNIFORM PRICE

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FEBRUARY 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		23,342,836	3.304		
Less Other Source		1,781,714	2.807		
Producer Milk Class I	75.4	21,561,122	3.344511	\$6.809389	\$1,468,180.67
Gross Class II		8,300,901	5.911		
Less Other Source		1,261,262	2.552		
Producer Milk Class II	24.6	7,039,639	6.513019	7.240415	509,699.08
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.0	28,600,761	4.124390		\$1,977,879.75
Less Fractional Adjustment					.04
Add Value of Overage					194.25
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		953	0.00	4.00	38.12
Add ½ Producer-Settlement Fund Reserve					00.00
TOTAL VALUE AT TEST		28,601,714	4.124253	\$6.916061	\$1,978,112.08
Less Test over 3.5% @ 8.2¢ per point		28,601,714	.624253	0.511887	146,408.46
TOTAL UTILIZATION VALUE AT 3.5%		28,601,714	3.5	\$6.404174	\$1,831,703.62
Less Producer-Settlement Fund Reserve		28,601,714		.044174	12,634.52
PRODUCER UNIFORM PRICE - 3.5% TEST		28,601,714	3.5	\$6.36	\$1,819,069.10

FEBRUARY 1971 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS
 BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.95	3.6	\$6.442	4.2	\$6.934	4.8	\$7.426	5.4	\$7.918
3.05	5.991	3.65	6.483	4.25	6.975	4.85	7.467	5.45	7.959
3.1	6.032	3.7	6.524	4.3	7.016	4.9	7.508	5.5	8.00
3.15	6.073	3.75	6.565	4.35	7.057	4.95	7.549	5.55	8.041
3.2	6.114	3.8	6.606	4.4	7.098	5.0	7.59	5.6	8.082
3.25	6.155	3.85	6.647	4.45	7.139	5.05	7.631	5.65	8.123
3.3	6.196	3.9	6.688	4.5	7.18	5.1	7.672	5.7	8.164
3.35	6.237	3.95	6.729	4.55	7.221	5.15	7.713	5.75	8.205
3.4	6.278	4.0	6.77	4.6	7.262	5.2	7.754	5.8	8.246
3.45	6.319	4.05	6.811	4.65	7.303	5.25	7.795	5.85	8.287
3.5	6.36	4.1	6.852	4.7	7.344	5.3	7.836	5.9	8.328
3.55	6.401	4.15	6.893	4.75	7.385	5.35	7.877	5.95	8.369

ANNOUNCED 1971 PRODUCER BASES

The average daily bases that producers established during the months of September 1970 thru January 1971 were announced by the Market Administrator. These bases are to be used for making payments to producers for milk deliveries during March thru July 1971.

PRODUCER ANNOUNCED BASES - FOUR YEARS COMPARISON

Base Range Pounds	1971	1970	1969	1968	Base Range Pounds	1971	1970	1969	1968
	Number of Producers					Number of Producers			
0-199	7	5	7	7	800-899	51	33	43	47
200-299	12	18	20	22	900-999	45	51	44	40
300-399	24	25	35	30	1000-1499	195	193	147	119
400-499	35	43	34	32	1500-1999	96	93	55	47
500-599	45	63	45	48	2000-2499	46	53	32	23
600-699	36	47	49	56	Over-2500	105	85	50	38
700-799	42	39	52	34	Total Prod.	739	748	613	543

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/ Per Hundredweight				HANDLER CLASS PRICES 1/ Class I Class II			
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Feb. '70	\$6.26	-	-	8.0¢	\$6.82	8.1¢	\$4.63	7.8¢
Mar.	6.15 2/	\$6.30	\$4.58	8.0	6.78	8.1	4.58	7.8
Apr.	6.09 2/	6.29	4.60	8.2	6.73	8.2	4.60	8.0
May	5.99 2/	6.16	4.58	8.2	6.75	8.4	4.58	8.0
June	6.06 2/	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	6.14 2/	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	6.01	-	-	8.2	6.75	8.4	4.61	8.0
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	-	-	-	-	6.98	8.4	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Basic Formula	Class I Pounds	Test-%	Class II Pounds	Test-%
	¢ Lb.	¢ Lb.	\$-Cwt-3.5%	Minimum				
Feb. '70	67.60	23.15	\$4.63	\$4.33	774,028	3.42	259,675	5.73
Mar.	67.95	23.18	4.58	4.33	761,892	3.35	298,922	5.25
Apr.	69.83	25.96	4.60	4.33	784,446	3.34	332,976	4.84
May	69.85	26.84	4.58	4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65
Aug.	69.80	26.85	4.61	4.33	694,169	3.27	347,743	4.45
Sept.	70.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm ---	Pounds	
	Hdlers.	Receipts	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Feb. '70	21	1,359,501	835,831	748	1,033,703	-	4.00	1,382	-	-
Mar.	21	1,397,629	824,119	745	1,060,814	971,078	3.89	1,424	1,303	121
Apr.	21	1,407,342	843,811	743	1,117,422	988,522	3.79	1,504	1,330	174
May	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	744	999,561	903,625	3.66	1,343	1,215	128
Aug.	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-

1/ Excludes Premiums

2/ Weighted average Price

3/ Other Source is Gross minus Producer

Class II is Receipts minus Class I